

SERVICE DATE – JULY 10, 2006

SURFACE TRANSPORTATION BOARD

DECISION

Finance Docket No. 32609

CHESAPEAKE RAILROAD COMPANY–CERTIFICATE OF INTERIM TRAIL USE AND
TERMINATION OF MODIFIED RAIL CERTIFICATE

Decided: July 7, 2006

In Chesapeake Railroad Company–Modified Rail Certificate, Finance Docket No. 32609 (ICC served Nov. 23, 1994), Chesapeake Railroad Company (CHRR) was issued a modified certificate of public convenience and necessity (modified certificate) under 49 CFR 1150, subpart C, to operate approximately 54.1 miles of rail line owned by the State of Maryland between milepost 00.0 at Clayton, DE, and milepost 45.3 at Easton, MD, and a connecting branch line between milepost 00.0 at Queen Anne, MD, and milepost 8.8 at Denton, MD (collectively, Clayton-Easton line).

On July 28, 2005, the Maryland Transit Administration (MTA), on behalf of the State of Maryland, filed notice on behalf of CHRR of its intent to terminate service under the modified certificate over the Clayton-Easton line.¹ On that same date, MTA filed a request for issuance of a certificate of interim trail use (CITU) under the National Trails System Act, 16 U.S.C. 1247(d), for the Clayton-Easton line. MTA submitted a statement indicating its willingness to assume financial responsibility for management of the right-of-way (ROW) as required at 49 CFR 1152.29, and acknowledged that the use of the ROW for trail purposes is subject to future reconstruction and reactivation for rail service.

On January 9, 2006, a decision and CITU was served authorizing a 180-day period for MTA to negotiate an interim trail use/rail banking agreement for the Clayton-Easton line.

On June 7, 2006, MTA filed a motion to extend the negotiating period for an additional 180 days.²

¹ Under 49 CFR 1150.24, an operator must provide 60 days' notice of its intent to terminate service over a line covered by a modified certificate. CHRR, however, no longer had an operating agreement with MTA, and CHRR was determined to have ceased existence as a corporate entity in Maryland. Therefore, the Board allowed MTA to file on CHRR's behalf.

² MTA's motion stated that it was in the process of negotiating an agreement with the Maryland Department of Natural Resources (DNR) to assume the responsibility of trail user for the Clayton-Easton line. However, the Board had received no statement of willingness to assume financial responsibility from DNR, and MTA was asked to supplement its motion.

On June 28, 2006, MTA filed a supplemental motion for an extension of the 180-day negotiating period. MTA states that it is currently negotiating an agreement with the Maryland Department of Transportation (MDOT) to assume the responsibility of trail user for the Clayton-Easton line.³ The parties request an additional 180 days to complete the required agreement so that MDOT may complete an inspection of the line prior to assuming its trail user responsibilities.

Where, as here, the parties are willing to continue trail use negotiations, the negotiating period may be extended. An extension of the negotiating period will promote the establishment of trails and rail banking consistent with the National Trails System Act.⁴ Accordingly, the CITU negotiating period will be extended for an additional 180 days from July 10, 2006 (until January 6, 2007).

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The motion of MTA to extend the CITU negotiating period is granted.
2. The negotiating period under the CITU is extended for 180 days until January 6, 2007.
3. This decision is effective on the date of service.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams
Secretary

³ MDOT executed the necessary statement of willingness to assume financial responsibility as an attachment to MTA's supplemental motion.

⁴ See Rail Abandonments—Supplemental Trails Act Procedures, 4 I.C.C.2d 152, 157-58 (1987).